

---

# Car Share Policy

## 2016

---



CAR

## PART ONE: OBJECTIVES AND CRITERIA

### Introduction

Car share schemes have become very popular around the world and there is now growing interest in car sharing in New Zealand. The concept involves a car share organisation that provides cars in various locations. The cars, which are shared amongst members, are either owned or leased by the car share provider or by members. Cars can be booked through a website or by phone, and paid for per hour or per kilometre.

Car sharing works best in areas of high urban density supported by good public transport access. Wellington is well suited for car sharing, given the relatively high population density in the central city, particularly in comparison to other New Zealand cities. There are also relatively low levels of car ownership amongst residents in Wellington's central city, for example amongst students. From the 2013 Census, we know that 14.5 percent of Wellingtonians don't own a car, with that number increasing to 45.6 percent amongst Te Aro residents.

Wellington City Council's Urban Growth Plan 2014–2043 outlines our strategy for supporting car share schemes in Wellington. This initiative seeks to help address the problems the city is facing in relation to the efficiency and sustainability of its transport network, while also reducing our greenhouse gas emissions and responding to climate change. As cities worldwide grapple with challenges resulting from increased congestion and pressure on road space, car share schemes are gaining traction as a travel demand management (TDM) tool that can help reduce overall car dependence.

The main problem the Car Share Policy aims to address is transport choice. Car sharing offers an additional means of transport for Wellingtonians, alongside other transport modes. It will also help reduce current and future levels of congestion. Buses and general traffic already experience slow and variable travel times in Wellington City for a number of reasons, including high traffic volumes. With the city's population expected to grow from the current 200,000 to 250,000 people, traffic volumes are likely to increase, further exacerbating congestion levels.

### Purpose of the policy

In order to optimise Wellington's transport system and minimise its impact on the environment, the Council encourages sustainable transport options such as walking, cycling and public transport. This sustainable transport hierarchy is supported by the Council's overarching strategy Wellington Towards 2040: Smart Capital and the Wellington Urban Growth Plan 2014–2043. Car sharing fits within a broader definition of "public" transport, along with taxis.

Both strategies also focus on the liveability of the city. Car sharing contributes to a world-class quality of life, not only by helping to reduce congestion, but also by providing alternative ways for people to move around the city in a way that suits them best and reduces their need to own a car.

The Council has also made a commitment to continue reducing our greenhouse gas emissions and responding to climate change by investing in our public transport network and cycleways. This will reduce car use and improve travel efficiency. The Council's Low Carbon Capital Plan proposes making up to 100 car parks citywide available for car sharing operations, electric vehicle charging infrastructure, or any other service that reduces the need to own a car or makes it easier to shift to electric vehicles or any other type of sustainable transport fuel.

As part of this, the Council will provide a fully subsidised car space for the exclusive use of car share vehicles, with the initial 100 percent subsidy intended to support the car share providers while they build their businesses. As they grow, the Council may consider seeking a financial contribution to the cost of the car space. As the price differential and charging infrastructure environment for electric vehicles changes, consideration will be given to requiring that any new car spaces that are allocated only be made available for plug-in hybrid or fully electrical vehicles, with a view to converting the existing fleet of car share vehicles to electric vehicles as they are swapped out and renewed. Council staff will continue to review the situation.

The Council recognises in its Wellington Urban Growth Plan 2014–2043 that cars will continue to be a necessary option for many people. Car share schemes allow people to have access to cars when they need one, without needing to own their own car, and in this way meet the Council's transport and Low Carbon Capital objectives. The policy is pro-choice not anti-car.

It is anticipated that support for car share schemes will lead to a reduction in car ownership based on experience in cities such as Auckland, London, Sydney and San Francisco. In addition, there are indications of greater use of public transport by people who car share. Forty percent of car share users interviewed in Auckland in 2014 were using more public transport since they started car sharing. Whether it will be possible to replicate the results in Wellington – particularly in the central city, which has high rates for walking – will be assessed as part of the policy's monitoring and evaluation framework.

## Car sharing objectives

The Council recognises the value of TDM measures, including car sharing, to improve the efficiency of its transport network. Car share schemes have the potential to contribute to the following objectives around transport, sustainability and quality of life by:

- reducing the need to own a car
- reducing congestion, by removing some cars from the network
- reducing greenhouse emissions
  - through the removal of some cars from the network
  - as a result of car share vehicles typically being newer and more fuel-efficient than the average New Zealand vehicle
- increasing the use of public transport, and encouraging the active modes of walking and cycling
- freeing up parking spaces, and using street parking more efficiently
- reducing the cost of living for residents as car ownership is reduced
- contributing to the liveability of the city by increasing transport choice and providing alternative ways for people to travel.

An important part of the policy is a comprehensive monitoring and evaluation framework, which is discussed in Part Three. This will help gather evidence and assess whether these objectives have been met.

The use of TDM measures has also been included in the Wellington Regional Land Transport Plan (RLTP). TDM is described in the Wellington RLTP as a collection of measures used to:

- maximise the use of the existing network
- reduce the demand for travel, particularly by single occupancy vehicles
- influence the use of efficient and sustainable travel options.

Car share schemes address the “demand side” of TDM measures in terms of the provision of good travel options and associated promotion of behaviour change. Their growth in cities around the world, including Auckland, suggests there is increasing interest by car users in exploring alternative ways of accessing vehicles for those times when they need a car, without the need to own a car, or at least a second car.

It is difficult to say what level of behaviour change we can expect to see in Wellington and when, although it is likely we could only expect to see real benefits over the longer term. Data from the car share trial held from December 2015 to June 2016 provides some baseline data, which we will be able to use as part of our ongoing monitoring and evaluation of car sharing in Wellington.

## Benefits

There is a wide range of benefits that have been attributed overseas to membership of car share schemes, at a personal and systemic level. To date, little evidence has been collected about the benefits achieved in New Zealand, reflecting how the car share market here is still developing. A small survey of 100 members of Cityhop and Car Share NZ was carried out by Auckland Transport (AT) in 2014. The survey found that benefits included financial savings from a reduction in car maintenance costs and car ownership, as well as environmental benefits. Reasons for car sharing identified in a survey carried out by Wellington City Council in May 2016 included convenience, not owning a car, not wishing to purchase a car, low use of a car, and to achieve environmental and health benefits.

As a tool for reducing overall numbers of cars on the road, AT found behaviour change in relation to private car ownership, with over half of those surveyed having reduced the number of cars they have or delayed the purchase of their next/first car. Of those that hadn't changed their car ownership, just under a third did not own a car. In addition, operators such as Cityhop have cited overseas studies as evidence that the allocation of a car park for a car share vehicle replaces the need for 12 other cars on average to park within a 250 metre radius. More research is needed to understand if these findings would be true for Wellington.

As little research is available in New Zealand, the car share sector is reliant on overseas evidence. For example, in a June 2010 report by the Union Internationale de Tramways/Internationaler, UIPT (International Association of Public Transport) information is provided on the state of car sharing in 14 European countries. It notes that some

providers reported a ratio amongst their customers of one car sharing vehicle for seven personal vehicles either disposed of or not purchased, and these findings are replicated in a number of other international studies.

In a 2010 report by the Transportation Sustainability Research Center (TSRC) at Berkeley University based on data from an online survey of North American car sharing members in late 2008, the consequences of car sharing for 6000 car sharers were investigated. The results showed that the average vehicles per household dropped from 0.47 to 0.24, of which most constituted one-car households becoming carless. In addition, the average fuel economy of car sharing vehicles used most often by respondents was 10 miles per gallon (3.6 km per litre) more efficient than the average vehicle shed by respondents.

Other areas of research relating to car sharing have been in relation to on-demand ride services (or ridesourcing), which use smartphone applications to connect community drives with passengers. A TSRC study in 2014 found that 40 percent of ridesourcing users stated they had reduced their driving due to the service. With ridesourcing beginning to emerge in the New Zealand market it will be useful to follow its progress here.

An aggregate analysis of the data collected through the Berkeley University survey suggested that car sharing has taken between 90,000 to 130,000 vehicles off the road, which equates to 9 to 13 vehicles for each car sharing vehicle. The survey also found that those who shared cars also made more use of public transport, bicycles and walking.

However, there are a number of knowledge gaps, as identified by London's Car Club Coalition (which comprises operators, car club/rental trade bodies, Greater London Authority, London Councils and Transport for London). To learn more from international studies, an analysis of overseas research will be undertaken as part of the monitoring and evaluation framework.

## Criteria

Of the car share operators seeking support, the Council will consider those with well-designed processes in place. The criteria are set out in Part Two of the Car Share Policy covering the rules of operation.

The Car Share Policy includes the peer-to-peer model where the car share vehicle is available 22.5 hours a day, 7 days a week.

## Council support

In recognition of the benefits of car sharing, including the public good element and its role as a TDM measure, the Council will provide a full subsidy for on-street car parks in the central city for the exclusive use of all authorised car share providers meeting Council criteria.

There will be no maximum number of car parks set. Each car share provider will be allocated an initial three car parks, with more allocated if the provider is able to demonstrate demand for more car parks. Users will be required to pay for parking elsewhere in the city. The car parks that will be made available will take into consideration

providers' preferences and ensure a fair distribution of car spaces across the city. They will be allocated for a 2-year period in support of the provider as their business grows, after which the provision of the car park will be reviewed.

## Targets

Modest targets will initially be set, following negotiations between the provider and Wellington City Council.

Because car sharing complements sustainable transport modes, the Council recognises that the uptake of car sharing will be influenced by the quality of the public transport and cycling networks available. The Council will continue to work with its partners, Greater Wellington Regional Council and the New Zealand Transport Agency, to achieve further improvements in public transport and cycling.

In subsequent years, stretch targets will be set for future years based on performance rates achieved, and network improvements, following the implementation of the Car Share Policy. The goal will be to raise targets closer to those set by cities such as Sydney, which aims to increase penetration of car sharing to 10 percent of all households by 2016.

## Promotion of car sharing

In addition to providing a subsidy for the exclusive use of car parks, the Council will provide ongoing marketing and promotion of Wellington's car share schemes through its website and at one-off events as appropriate.

## Electric car share vehicles

The Car Share Policy covers electric vehicles used for car sharing. A separate policy on electric car charging stations will be developed.

## Review

The Car Share Policy will be reviewed 3 years after the policy is approved.

## PART TWO: RULES OF OPERATION AND DESIGN GUIDELINES

### Car share operators

To qualify for Wellington City Council assistance, a car share operator will be required to enter into a legal agreement with the Council and must:

- develop over time a network of cars in locations that are accessible to all members where density and demand allows the successful utilisation of the vehicle
- allow any driver with a full licence to join, subject to reasonable creditworthiness and driving history checks
- supply an internet and/or phone-based booking system available to members 24 hours per day, which allows immediate booking of vehicles – the vehicle occupying the car share space must be available 22.5 hours per day, 7 days a week, as well as meeting all other criteria
- ensure that no vehicle in an on-street space is booked for longer than 3 consecutive days, unless a replacement car share vehicle is provided for the space
- display the organisation's livery or logo on the car share vehicle
- be registered as a rental service under the Land Transport Rule.

Operators will need to acknowledge the Council as a partner and provide:

- full details about the organisation and governance arrangements
- a clear business plan that:
  - provides evidence of the commercial viability of the scheme or, in the case of new entrants, indications of the potential commercial viability
  - sets out the scheme's targets for membership growth and utilisation
  - outlines the organisation's experience in establishing similar schemes
- detailed plans about how the scheme will run, including:
  - the process for becoming a member of the scheme and membership options
  - fees and charges, and payment options
  - the operating model that will be used, and process for using a vehicle
  - systems/infrastructure that supports the scheme
- agreed data management, reporting and evaluation systems
- a promotion and marketing plan.

The Council reserves the right to reject any application for the establishment of an on-street car share space. The Council may also refuse speculative and large-scale placement of car share vehicles in the absence of reasonably foreseeable resident and business demand.

### Operating model

Car share operators using the A–A (“back to base”) car share operating model will be eligible to apply for a car park subsidy and exclusive use of the car park from Wellington City Council. Over time, the Council will move to widen the policy to allow for the A–B (“one way”) and Zonal (within specific areas) models.

All car share operators with cars owned or leased by the car share provider, as well as cars owned by members and shared with other members (peer-to-peer), are covered by the Car Share Policy. Vehicles will need to meet all relevant vehicle standards.

Growth in long-term membership, not just the level at which hireage fees are set, has been identified as key to the success of car share schemes. The Council will expect to see a clear plan for how the provider will promote its business and seek to increase membership.

The Council will support car sharing through its promotion of the scheme on its website, and by including links to the car share operators' own websites.

## Reporting

Car share operators will be required:

- to provide 6-monthly
  - a detailed usage report, itemised by location, indicating numbers of bookings per month, average trip distance and length of booking
  - membership levels and composition between businesses and individuals
- to make any financial records relating to performance available for inspection and audit during, or up to 6 years after the completion of, the contract.

## Permits

Permits for car share vehicles will be issued to approved car share providers that meet all Council criteria. A nominal fee for the administrative costs of issuing permits may apply to all car share vehicles.

The Council will fund in full the line-marking and signage of car share spaces for the first 2 years of the car share scheme, after which this will be reviewed.

## Non-compliance

In the case of non-compliance with the rules of operation, as set out in the contract with the car share operator, the Council will in the first instance discuss any breaches with the operator. If the breach cannot be resolved satisfactorily, the Council may impose sanctions to remedy the breach and deter future non-compliance.

Sanctions, if applied, will be progressively escalated and may include suspension of an operator's right to use a dedicated car share space or termination of an operator's agreement with Wellington City Council.

## Enforcement

Wellington City Council will enforce regulations that prohibit non-car share vehicles parking in car share spaces.

All costs associated with infringement notices given to the car share vehicle will be met by the operator. The Council will not waive parking infringement notices that have been issued to car share vehicles.

## PART THREE: MONITORING AND EVALUATION FRAMEWORK

A key part of the policy is evaluating how car sharing develops in Wellington so that changes in the behaviour of members and impacts of the policy can be understood.

The Monitoring and Evaluation Framework has been designed to help understand the extent to which the Council's car share investment:

- reduces car ownership by participants
- increases the use of public transport and active modes by participants
- reduces car use by participants
- reduces the number of cars in Wellington, traffic congestion, and cars parked in the city
- reduces vehicle emissions.

The following higher level outcomes will be also explored (noting that these are impacted by a range of other TDM initiatives and other factors):

- improving quality of life
- well-managed population growth
- the sustainability of Wellington City.

The monitoring and evaluation approach will be adapted to incorporate what has been learnt from the car share pilot.

International research about the impacts of car sharing will inform measures and the evaluation approach for this policy. Evaluation activity will draw data from a range of sources, which could include:

- performance monitoring of car share providers – membership, car share travel data by users
- customer surveys – pre-scheme, ongoing and exiting scheme
- customer and provider interviews
- Wellington City Council data and data analysis methods to assess emissions and managed growth impacts, and provide comparison data for personal transport characteristics.

A yearly report will be produced over the 3-year period up to the policy review in August 2019. The year two report will coincide with the review point of Council car parks being provided to car share operators, and the year three report will report the full results to inform the policy review.

